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**CHUCK HAGEL**

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## **Senate Passes Repeal of Estate Tax**

### ***Hagel Applauds Vote as Matter of Fairness***

WASHINGTON, D.C. – The Senate today voted to repeal the federal estate tax by a vote of 59 to 39. H.R. 8, The Death Tax Elimination Act, would phase out the tax over ten years.

"The estate tax is one of the most un-American taxes. It penalizes people for working hard and allows the government to benefit from a lifetime spent building up a small business, farm or ranch -- often forcing family members to sell the farm or close the shop," said Hagel. "The government didn't earn this money or create the business, why should it get half just because someone dies?"

Prior to 1916, the United States government only used the estate tax in times of extraordinary revenue shortages -- mainly during wars. During World War I, the tax was reinstated and never repealed, despite the fact that the estate tax has a negative impact on the economy.

A 1996 study showed that the Gross Domestic Product would increase by as much as \$11 billion annually upon repeal of the estate tax. The study also concluded that an additional 145,000 jobs would be created and gross personal income would rise by an average of \$8 billion a year without the tax. Hagel has cosponsored numerous legislative initiatives to repeal the estate tax.

"Whether it's a farm, ranch or store, taxing the value of estates after death is immoral," added Hagel. "It's often overlooked that these small business owners, farmers and ranchers have already paid taxes -- throughout their lives -- on their earnings and property. It's wrong and unfair for them to be taxed again."

The House of Representatives passed H.R. 8 on June 9, by a vote of 279 to 136.